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5 UNITED STATES BANKRUPTCY COURT
6 DISTRICT OF OREGON

7 *In re*

8 JAMES JOEL HOLMAN and CANDICE
9 EVANGELINE HOLMAN,

10 Debtors.

Case No. 14-35381-rld7

11 DWIGHT and LAURA DANIELS,
12 husband and wife,

13 Plaintiffs,

14 v.

15 JAMES JOEL HOLMAN and CANDICE
16 EVANGELINE HOLMAN,

Defendants.

Adversary Proceeding No. 14-03285-rld

**DECLARATION OF DARIAN
STANFORD IN SUPPORT OF
PLAINTIFFS' RESPONSE BRIEF IN
OPPOSITION TO DEFENDANTS'
MOTION FOR PARTIAL SUMMARY
JUDGMENT**

17 I, Darian Stanford, declare as follows:

18 1. I am one of the attorneys representing Dwight and Laura Daniels, Plaintiffs, in the
19 above captioned lawsuit.

20 2. Attached hereto as Exhibit 1 are true and accurate copies of portions of the
21 deposition of Candice Holman, taken on July 7, 2015.

22 3. Attached hereto as Exhibit 2 is a true and accurate copy of the Promissory Note
23 executed by James and Candice Holman, dated February 24, 2001.

24 4. Attached hereto as Exhibit 3 is a true and accurate copy of the Deed of Trust for
25 Defendants' personal residence at 26280 Mill Creek Circle executed by both James and Candice

26 Page 1 – DECLARATION OF DARIAN STANFORD

SLINDE NELSON STANFORD
111 SW 5th Avenue, Suite 1940
Portland, Oregon 97204
p. 503.417.7777; f. 503.417.4250

1 Holman.

2 5. Attached hereto as Exhibit 4 is a true and accurate copy of an assignment of the
3 life insurance policy of James Holman signed by James Holman and acknowledged by Candice
4 Holman.

5 6. Attached hereto and marked Exhibit 5 is a true and accurate copy of the Personal
6 Financial Statement given to the Plaintiffs by the Defendants.

7 I HEREBY DECLARE THAT THE ABOVE STATEMENTS ARE TRUE TO THE
8 BEST OF MY KNOWLEDGE AND BELIEF, AND THAT I UNDERSTAND IT IS MADE
9 FOR USE AS EVIDENCE IN COURT AND IS SUBJECT TO PENALTY FOR PERJURY.

10 DATED this 17th day of July, 2015.

11 SLINDE NELSON STANFORD

12
13 By: 

14 Darian A. Stanford, OSB No. 994491

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re:

JAMES JOEL HOLMAN, CANDICE
EVANGELINE HOLMAN,
Debtors,

Case No. 14-35381-rld7

DWIGHT DANIELS, LAURA DANIELS,
Plaintiffs,

vs.

JAMES JOEL HOLMAN,
CANDICE EVANGELINE HOLMAN,
Defendants.

DEPOSITION OF CANDICE EVANGELINE HOLMAN

Volume 1, Pages 1 to 44

Taken on behalf of the Plaintiffs

Tuesday, July 7, 2015

1 actually, let me follow up on that.

2 Was it your understanding that the company was
3 having financial problems in 2011?

4 A. No.

5 Q. Okay. Did you know one way or the other or
6 was it your understanding the company was fine?

7 A. Yeah, it was fine.

8 Q. Okay. Your husband and I talked a little bit
9 about officers in various companies.

10 Were you ever an officer in any of the
11 companies that you and your husband had?

12 A. Not that I remember, no.

13 Q. There was a piece of paper that lists -- I
14 think it said "SEC" next to your name.

15 Do you remember being the secretary of any
16 company?

17 A. I don't.

18 Q. Let me show you that. It's Exhibit 7. It's
19 an assignment of a life insurance policy. I want you to
20 take a look at it.

21 First of all, do you see your signature on the
22 first page down at the bottom?

23 A. Yes.

24 Q. Which one?

25 A. The one on the right.

1 Q. If you were made an officer of one of the
2 companies, would you know?

3 A. No.

4 Q. While we're looking at documents, I'm going to
5 show you these as well. I'll show you what's called
6 Exhibit 2. It's a promissory note.

7 Can you tell me whether or not your signature
8 is on that one?

9 A. Yes.

10 Q. Go ahead and hold that for a second. Here's
11 3, same question, is that your signature?

12 A. Yes.

13 Q. Okay. Can you tell me, ma'am, why you signed
14 those two documents?

15 A. No.

16 Q. Did your husband ask you to sign them?

17 A. Yes.

18 Q. When you signed those documents, were you
19 aware of what they were or what they did?

20 A. No.

21 Q. Did you ask your husband to explain them to
22 you?

23 A. No.

24 Q. You just signed them where he told you to sign
25 them?

1 A. Yes.

2 Q. Okay. By no means am I denigrating you in any
3 way by asking you this question, but was that common in the
4 business? Did you just sign what your husband asked you to
5 sign?

6 A. Yes.

7 Q. You said a moment ago -- I'm jumping around a
8 little bit on you -- that it was your understanding that
9 the loan was for the business, right?

10 A. Yes.

11 Q. How did you come to that understanding?

12 A. Because that's what James had shared with me
13 that they had talked about.

14 Q. Got it.

15 Prior to talking with the Daniels, were you
16 aware that Mr. Holman was looking for a loan?

17 A. I don't remember that.

18 Q. You don't remember any conversations about
19 that?

20 A. No.

21 Q. At some point, it sounds like you two had a
22 conversation that Mr. Holman had been put in touch with the
23 Daniels. Correct?

24 A. Yes.

25 Q. Tell me about that. What did he tell you?

1 A. Yes.

2 Q. Mill Creek?

3 A. Yes.

4 Q. Are you on the title for that home?

5 A. I don't know.

6 Q. Did you ever, to your knowledge, have any
7 ownership interest in any of the companies we talked about
8 today, ITG, PCS, any of those?

9 MR. HEATHERMAN: Do you understand his
10 question?

11 THE WITNESS: No.

12 MR. HEATHERMAN: Can you define "ownership
13 interest" or rephrase it?

14 MR. BITNER: Sure.

15

16 BY MR. BITNER: (Continuing)

17 Q. Let's take PCS for a moment. Was PCS 100
18 percent owned by Mr. Holman? Did he own the entire company
19 or did he have partners?

20 A. Well, I think I was his partner.

21 Q. That's kind of the question I was asking.

22 A. Okay.

23 Q. I'm wondering if there was any kind of
24 agreement out there, any piece of paper or anything like
25 that, that said this company is owned 50 percent by A or B

19

1 or anything like that. I'm wondering if you had any formal
2 ownership interest in any of the companies. That's what I
3 mean by ownership interest.

4 Does that make sense?

5 A. Yes, possibly.

6 Q. Okay.

7 A. I can't say what.

8 Q. Were you ever paid any money by any of the
9 companies?

10 A. No.

11 Q. Okay. I had asked your husband earlier during
12 this whole loan process if he had counsel to represent
13 anyone. He identified Mr. Mitchell.

14 Do you know Mr. Mitchell?

15 A. Yes.

16 Q. Did you ever have any conversations with him?

17 A. No.

18 Q. And I apologize I just asked you this, but my
19 brain is slipping outside my head right now.

20 Did you and your husband talk about the terms
21 of the loan?

22 A. Not that I remember.

23 Q. Okay. For example, do you remember your
24 husband ever telling you, Hey, we're putting up the house
25 against this loan?

20

1 MR. HEATHERMAN: This would have been prior to
2 February or any time?

3 MR. BITNER: I'm being broad here, to be
4 honest with you.

5 MR. HEATHERMAN: He's asking at any time.

6 MR. BITNER: Thank you. I'll clarify it a
7 little bit.

8
9 BY MR. BITNER: (Continuing)

10 Q. There were -- you heard me and your husband
11 talk about this. There were conversations and machinations
12 that went on prior to the loan being issued, We're going to
13 do this for security, this for security.

14 Did you have any conversations with Mr. Holman
15 or the Daniels or anyone regarding what was going to be
16 used as security for this loan prior to issuance?

17 A. Just James.

18 Q. Okay. What did you two talk about? What did
19 you find out?

20 A. Honestly, I don't remember exactly what we
21 discussed.

22 Q. You remember --

23 A. I just --

24 Q. Sorry. Go ahead.

25 A. It's okay. Go ahead.

1 Q. I told you I'd interrupt you eventually.

2 Do you remember him telling you that the house
3 was being put up against the loan?

4 A. Vaguely.

5 Q. Okay. Do you remember him telling you about
6 any of the company's assets being put up against the loan?

7 A. No.

8 Q. There's a bunch of documents -- well, begging
9 the obvious, you had seen the promissory note and the trust
10 deed because you signed them, correct?

11 A. Yes.

12 Q. Okay. Did you actually ever read those?

13 A. No.

14 Q. To date? To today?

15 A. No.

16 Q. Okay. Your husband and I talked about a UCC
17 filing statement that's Exhibit 4. Had you ever seen that?

18 A. No.

19 Q. To today?

20 A. No.

21 Q. Okay. Ever have any conversations with your
22 husband about a UCC financing statement?

23 A. No.

24 Q. Or Mr. Mitchell?

25 A. No.

25

1 something I asked you a moment ago, and that was whether or
2 not you had any familiarity with UCC-1s or know anything
3 about them. You said no.

4 There was testimony earlier from your husband
5 that the four of you -- by the four of you, I mean you two
6 and the two Daniels -- had a conversation around May 2013
7 about all of this.

8 Do you remember that conversation?

9 A. I remember speaking with them, but honestly, I
10 can't tell you what was said.

11 Q. Okay. Do you remember, were you engaged in
12 that conversation or were you just listening?

13 A. Just listening, I believe. I -- I don't know
14 that I said anything.

15 Q. Okay. I know you said you don't remember
16 everything that was talked about. Do you remember any
17 discussions about a UCC-1?

18 A. No.

19 Q. With the understanding that you had not seen
20 Exhibit 8 and partial Exhibit 1, the personal financial
21 statement that your -- your husband did not show it to you,
22 correct?

23 A. Right.

24 Q. Are you familiar with the form at all?

25 A. No.

1 Q. Do you ever remember filling out an
2 application for a loan or any kind of lending?

3 A. No.

4 Q. Do you remember ever signing documents --
5 other than the ones we're talking about here today, signing
6 any other loan agreements or documents for lending?

7 A. No.

8 Q. By that, I mean promissory notes and that kind
9 of thing, same kind of document.

10 A. No, I don't.

11 Q. Same answer?

12 A. Correct.

13 Q. Do you agree with me -- and I can show it to
14 you again. Do you agree with me, ma'am, that you're listed
15 as a co-applicant on this statement?

16 A. Yes.

17 Q. Do you have any idea what that means?

18 A. 100 percent, no.

19 Q. Okay. What do you think it means even if it's
20 30 percent?

21 A. That we -- that I am applying with him.

22 Q. Okay. You heard us talk about a lot of
23 e-mails today back and forth between Mr. Daniels and
24 Mr. Holman.

25 Did Mr. Holman ever run any of those e-mails

1 Were you involved in any other way with all of this?

2 A. No.

3 Q. You did understand as of February 2011 that
4 the Daniels were lending not only Mr. Holman, but you as
5 well, \$300,000, right?

6 A. I don't know exactly when.

7 Q. Okay.

8 A. But, yes.

9 Q. Okay. So that it was -- although you
10 testified earlier that it was your understanding that it
11 was for the business pursuant to a conversation with your
12 husband, the money was actually loaned to the two of you?

13 A. Right.

14 Q. Okay.

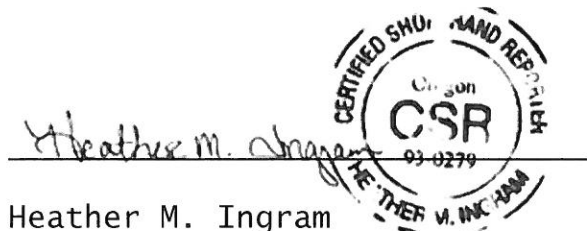
15 MR. BITNER: That's all I've got. Thank you
16 very much.

17 (Deposition adjourned at 3:38 p.m.)
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20
21
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23
24
25

1 STATE OF OREGON)
2) ss
3 COUNTY OF MULTNOMAH)
4

5 I, Heather M. Ingram, Certified Shorthand Reporter for
6 the State of Oregon, do hereby certify that CANDICE
7 EVANGELINE HOLMAN personally appeared before me at the time
8 and place mentioned in the caption herein; that the witness
9 was by me first duly sworn under oath and examined upon
10 oral interrogatories propounded by counsel; that said
11 examination, together with the testimony of said witness,
12 was taken down by me in stenotype and thereafter reduced to
13 typewriting; and, that the foregoing transcript, pages 1
14 through 42, both inclusive, constitutes a full, true and
15 accurate record of said examination of and testimony by
16 said witness, and of all other oral proceedings had during
17 the taking of said deposition, and of the whole thereof.

18 Witness my hand at Portland, Oregon, this 13th day of
19 July, 2015.

20
21 
22 Heather M. Ingram

23 Oregon CSR No. 93-0279

24 Washington CSR No. 2188
25

EXHIBIT 2

SECURED PROMISSORY NOTE

\$300,000.00

Portland, OR
February 24, 2011

For value received, James J Holman and Candice E Holman located at 26280 S Milk Creek Circle, Mulino, OR 97042 ("Borrower"), hereby unconditionally promises to pay to the order of Dwight E Daniels and Laura J Daniels located at 23 Carmel Bay Drive, Corona Del Mar, CA 92625 ("Lender"), at such place as Lender may from time to time designate in writing, the principal amount of Three Hundred Thousand Dollars (\$300,000), in lawful money of the United States of America, with interest and fees as provided below, from the date hereof, until paid.

1. Principal. The principal amount of this note ("Note") is Three Hundred Thousand Dollars (\$300,000).
2. Interest.
 - 2.1 Rate. Borrower promises to pay interest on the outstanding principal balance of this Note at the rate of ten percent (10%) per annum from the date hereof until paid. Interest shall be computed on the basis of a 360-day year for the actual number of days preceding payment.
 - 2.2 Loan Fee. Borrower will pay a one time loan fee of Six Thousand Dollars (\$6,000) upon commencement of this note.
3. Payment.
 - 3.1 Interest. Accrued interest shall be paid monthly with a due date on the first of every month.
 - 3.2 Maturity. All principal and any unpaid accrued interest, together with any sums due under this note to Lender under the terms of any Security Instrument securing repayment of this Note, shall be due and payable on April 1, 2014.
 - 3.3 Repayment. Payments shall be interest only for thirty six (36) months in the amount of two thousand five hundred dollars (\$2,500) per month. The principal amount shall be paid in full on the maturity date. All payments shall be applied first to interest in arrears, then to reduction of principal, provided, however, Lender may apply any payments received to other obligations of Borrower under the Security Instrument securing repayment of this Note.
 - 3.4 Prepayment. This Note may be prepaid without penalty at any time by paying only the entire principal balance and accrued interest, and any other sums due under the terms of the Security Instrument given to secure repayment of this Note.

3.5 Late Payment. Any payment made more than fifteen (15) days late shall be assessed a late payment fee of 10%.

4. Security. The indebtedness evidenced by this Note is secured by Borrower's execution and performance of the Deed of Trust attached as Exhibit 1 ("Security Instrument"). Any amounts due from Borrower to Lender under the terms of the Security Instrument shall be considered additional unpaid principal under this Note.

5. Waiver by All Parties. Borrower and all persons liable or to become liable on this Note: waive notice of acceptance, presentment, protest and demand, and all notices including, without limitation, notice of non-payment, default, dishonor, and demand of this Note; consent to any and all renewals and extensions in the time of payment hereof.

6. Miscellaneous.

6.1 Governing Law, Venue. This Note shall be governed by and construed in accordance with the laws of the State of Oregon. The undersigned agrees that in any suit or action hereon venue will lie in the County of Clackamas and State of Oregon, without waiver, however, of Lender's right to lay venue in any other county or state appropriate for the collection of this Note.

6.2 Usury. In the event this Note should for any reason be found to be in violation of any state or federal statutes relating to usury, Lender may reduce the interest rate on this Note to the legal maximum as provided for by law or regulation and by so doing be relieved of any civil liability.


James J Holman


Candice E Holman

SECURED PROMISSORY NOTE
PAGE 2 OF 3

(4)

9. At any time, and from time to time upon written request of beneficiary, payment of its fees and reimbursement of its costs for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any assignment or plan of the property, (b) join in granting any extension or making any reduction of the debt, (c) join in any subordination or other agreement affecting the debt or the lien or charge thereon, or (d) mortgage, without warranty, all or any part of the property. The trustee in any reconveyance may be described as the "person or persons legally entitled thereto," and the trustee shall be considered a part of the institution thereof. Trustee fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name or by or through its agent, trustee, or receiver, including those paid for and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any indebtedness secured hereby, and in each order no beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation of awards for any taking or damage of the property, and the application or scheme thereof as aforesaid, shall not cure or waive any default or action of default hereunder, or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such event, the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to permit any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall cause to be executed a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.733 to 86.739.

13. After the trustee has completed foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.733 may cure the default or defaults. If the default consists of a failure to pay, upon due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by repaying the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed, together with interest and attorney fees not exceeding the amount provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the date to which the sale may be postponed as provided by law. The trustee may sell the property either in one parcel or in separate parcels and shall sell the parcel or parcels in addition to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the grantor in deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The trustee in the deed of any portion of the trust deed shall be considered as part of the trustee's deed. Any person, including the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of: (1) the expenses of sale, including the compensation of the trustee and a reasonable charge for trustee's services; (2) to the obligations secured by the trust deed (3) to all persons having recorded liens subordinate to the interest of the trustee in the trust deed as their interests may appear in the order of their priority; and (4) the surplus, if any, to the grantor, or to any successor in interest entitled to such surplus.

16. Beneficiary may, from time to time, appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon the trustee herein named or appointed hereunder. Such such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee consents this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

The grantor covenants to and agrees with the beneficiary and the beneficiary's association in interest that the grantor is lawfully seized in the whole of the real property and has a valid, unencumbered title thereto, except as may be set forth in any subdivision or exhibit attached hereto, and that the grantor will warrant and defend against all persons whatsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are (choose one):

(a) ☒ for the purchase of a primary residence of the grantor or a beneficiary or for the purchase of a second residence of the grantor or a beneficiary.

(b) ☐ for an investment, or given if grantor is a natural person for a business or commercial purpose.

This deed applies to, except to the benefit of, and binds all parties hereto, their heirs, legal heirs, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgees, of the contract secured hereby, whether or not named as a beneficiary herein.

In executing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the contract so requires, the singular shall be taken to mean and include the plural, and that generally all governmental changes shall be made, amended and applied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first written above.

IMPORTANT NOTICE: Grantor, by listing out, without warranty (a) or (b) in paragraph 15, if necessary (c) to the beneficiary and the beneficiary is a creditor in such event is deemed to be in compliance with the Act and Regulation Z, the beneficiary shall comply with the Act and Regulation Z by taking appropriate measures. If compliance with the Act is not required, disregard this notice.

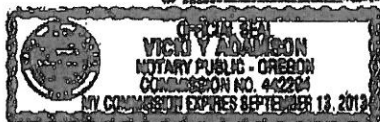
STATE OF OREGON, County of Clackamas

This instrument was acknowledged before me on February 25, 2011

by James J. Helmen & Candice E. Helmen

This instrument was acknowledged before me on

by



[Signature]
Notary Public for Oregon
My commission expires 09/13/13

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)

TO: Trustee
The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. The beneficiary has delivered, as payment to you of any sums owing to you under the terms of the trust deed or pursuant to notice, to cancel all indebtedness of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed, the estate now held by you under the same. Mail the reconveyance and documents to:

DATED
Do not lose or destroy this Trust Deed OR THIS NOTE which is essential. Both should be delivered to the trustee for reconveyance and cancellation in strict accordance with the terms of the trust deed.

Beneficiary

EXHIBIT 4

Form No. 10- LIFE INSURANCE ASSIGNMENT

ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL

- A. For Value Received the undersigned hereby assigns, transfer and assigns over to Dwight F. Daniels
Laurie J. Daniels of (address) 28 Carmel Bay Dr. Carmel, Cal. 92025
 its successors and assigns, (herein called the "Assignee") Policy No. 1258003790 issued by
☒ AXA Equitable Life Insurance Company ☐ MONY Life Insurance Company of America
☐ AXA Equitable Life and Annuity Company
 (herein called the "Insurer") and any supplementary contracts issued in connection therewith (said policy and contracts being
 herein called the "Policy"), upon the life of

JAMES J. HOLMAN
 of Suburban Parkwood Group and all claims, options, privileges, rights, title and interest therein
 and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior
 liens, if any, which the Insurer may have against the Policy. The undersigned by this instrument jointly and severally agree and the
 assignee by the acceptance of this assignment agrees to the conditions and provisions herein set forth.

- B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this
 assignment and pass by virtue hereof:
1. The sole right to collect from the Insurer the net proceeds of the Policy when it becomes a claim by death or maturity;
 2. The sole right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy
 and at such other times as the Insurer may allow;
 3. The sole right to obtain one or more loans or advances on the Policy, either from the Insurer or, at any time, from other persons,
 and to pledge or assign the Policy as security for such loans or advances;
 4. The sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy now or
 hereafter made or apportioned thereto, and to exercise any and all options contained in the Policy with respect thereto; provided,
 that unless and until the Assignee shall notify the Insurer in writing to the contrary, the distributions or shares of surplus,
 dividend deposits and additions shall continue on the plan in force at the time of this assignment; and
 5. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive
 all benefits and advantages derived therefrom.
- C. It is expressly agreed that the following specific rights, so long as the Policy has not been surrendered, are reserved and excluded
 from this assignment and do not pass by virtue hereof:
1. The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
 2. The right to designate and change the beneficiary;
 3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer; but the reservation of these
 rights shall in no way impair the right of the Assignee to surrender the Policy completely with all its incidents or impair any
 other rights of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be
 made subject to this assignment and to the rights of the Assignee hereunder.
- D. This assignment is made and the Policy is to be held as collateral security for any and all liabilities of the undersigned, or any of
 them, to the Assignee, either now existing or that may hereafter arise in the ordinary course of business between any of the
 undersigned and the Assignee (all of which liabilities secured or to become secured are herein called "Liabilities").
- E. The Assignee covenants and agrees with the undersigned as follows:
1. That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured
 or unmatured, shall be paid by the Assignee to the persons entitled thereto under the terms of the Policy had this assignment
 not been executed;
 2. That the Assignee will not exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the
 right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or a failure to pay any premium
 when due, nor until twenty days after the Assignee shall have mailed, by first-class mail, to the undersigned at the addresses
 last supplied in writing to the Assignee specifically referring to this assignment, notice of intention to exercise such right; and
 3. That the Assignee will upon request forward without unreasonable delay to the Insurer the Policy for endorsement of any
 designation or change of beneficiary or any election of an optional mode of settlement.
- F. The Insurer is hereby authorized to recognize the Assignee's claims to rights hereunder without investigating the reason for any
 action taken by the Assignee, or the validity or the amount of the Liability or the existence of any default therein, or the giving
 of any notice under Paragraph E (2) above; or otherwise, or the application to be made by the Assignee of any amounts to be paid
 to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any right under the Policy assigned
 hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer.
 Checks for all or any part of the sums payable under the Policy and assigned hereby, shall be drawn to the exclusive order of the
 Assignee if, when, and in such amounts as may be, requested by the Assignee.
- G. The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the
 Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts so paid by the Assignee
 from its own funds, shall become a part of the Liabilities hereby secured, shall be due immediately, and shall draw interest at a
 rate fixed by the Assignee from time to time not exceeding 6% per annum.
- H. The exercise of any right, option, privilege or power given herein to the Assignee shall be at the option of the Assignee, but (except
 as restricted by Paragraph E (2) above) the Assignee may exercise any such right, option, privilege or power without notice to, or
 assent by, or affecting the liability of, or releasing any interest hereby assigned by the undersigned, or any of them.
- I. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities,
 may grant extensions, renewals or indulgences with respect to the Liabilities, or may apply to the Liabilities in such order; as the
 Assignee shall determine, the proceeds of the Policy hereby assigned or any amount received on account of the Policy by the
 exercise of any right permitted under this assignment, without resorting or regard to other security.
- J. In the event of any conflict between the provisions of this assignment and provisions of the note or other evidence of any Liability,
 with respect to the Policy or rights of collateral security therein, the provisions of this assignment shall prevail.
- K. Each of the undersigned declares that no proceedings in bankruptcy are pending against him; and that his property is not subject to
 any assignment for the benefit of creditors.

Signed and sealed this 8 day of August, 20 11
LAURIE J. DANIELS (L.S.)
 Witness 3601 Sine Ave (Houma) La 70334 SE Carroll
 Street No. City State Zip Code
LAURIE J. DANIELS 97015
 Witness 28 Carmel Bay Dr. Carmel, Cal. 92025
 Street No. City State Zip Code
28 Carmel Bay Dr. Carmel, Cal. 92025

Street No. City State Zip Code
 153-00921 A

Street No. City State Zip Code
 Can. #125107E (9/08)

Individual Acknowledgment

STATE OF _____ }
COUNTY OF _____ } ss.:

On the _____ day of _____, 20____, before me personally came _____, to me known to be the individual _____ described in and who executed the assignment on the reverse side hereof and acknowledged to me that _____ he _____ executed the same.

Notary Public

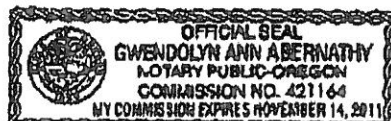
My commission expires _____

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon }
COUNTY OF Washington } ss.:

On the 8 day of August, 2011, before me personally came _____, Candice Evangelista, who being by me duly sworn, did depose and say that he resides in Oregon that he is the Secretary of Trinity Transport Corp the corporation described in and which executed the assignment on the reverse side hereof; that he knows the seal of said corporation; that the seal affixed to said assignment is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Gwendolyn Ann Abernathy
Notary Public

My commission expires 11/14/2011

NOTE: When executed by a corporation, the corporate seal should be affixed and there should be a resolution of the Board of Directors authorizing the signing officer to execute and deliver this assignment in the name and on behalf of the corporation.

AXA EQUITABLE LIFE INSURANCE COMPANY HAS
RECEIVED AND FILED THIS DOCUMENT, DATED AT
CHARLOTTE
8/19/2011

Cynthia Reese

EXHIBIT 5

COLUMBIA
A COMMUNITY BANK

Applicant Name	<u>James/Candice Holman</u>	Home Phone	<u>503/828-3100</u>
Street Address	<u>26280 S Milk Creek Circle</u>	Business Phone	<u>503/553-0030</u>
City, State, Zip	<u>Mulino, OR 97042</u>	Date of Birth	<u>May 20, 1968</u>
Applicant is applying for this loan.	<input checked="" type="checkbox"/> Individually, without a co-signer or guaranty of a relative or other person (s) or entity <input checked="" type="checkbox"/> Jointly, with the co-signature or guaranty of one or more persons or entities (including existing guarantors) (if jointly, name other person or entity)		
Applicant is: married / separated / unmarried (single, divorced and widowed).	<u>Married</u>		
Co-Applicant is: married / separated / unmarried (single, divorced and widowed)			
Financial Condition as of (Date):	<u>February 1, 2011</u>		

ASSETS		LIABILITIES	
Cash	Section 1	\$	20,000
Stocks & Bonds	Section 2	\$	-
Closely Held Business	Section 2a	\$	5,000,000
Tax	Section 3	\$	-
Insurance	Section 4	\$	12,500
Notes Receivable	Section 5	\$	-
Real Estate	Section 6	\$	1,175,000
Other Assets	Section 7	\$	607,000
TOTAL ASSETS		\$	6,814,500
Notes Payable	Section 8	\$	196,000
Taxes Owed	Section 3	\$	-
Insurance Loan	Section 4	\$	-
Accounts Payable	Section 9	\$	-
Real Estate Payable	Section 6	\$	670,000
Other Liabilities	Section 10	\$	-
TOTAL LIABILITIES		\$	866,000
NET WORTH		\$	5,948,500

INCOME AND EXPENSES

INCOME AND EXPENSES

Alimony, child support or separate maintenance payment income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

Year	2010	Year	2010	Contingent Liabilities	
Salary or Wages	\$ 225,000	Property Tax & Assessment	\$ 8,000	Endorser on Notes/Contracts	\$ -
Dividends or Interest	\$ -	Fed & State Income Tax	\$ 25,000	Legal Claims & Judgements	\$ -
Rentals (Gross Income)	\$ -	Real Estate Loan Payments	\$ 48,000	Provision For Taxes	\$ -
Business (Net Income)	\$ 500,000	Payments on Contract/Notes	\$ 18,000	Other Special Debt (Describe)	\$ -
Other Income (Describe)		Estimated Living Expenses	\$ 100,000		
		Other			
TOTAL INCOME	\$ 725,000	TOTAL EXPENSES	\$ 199,000	TOTAL	\$ -

CASH

Section 1		CASH	
Account Type	Bank	Balance	Pledged for a loan?
Checking	Wells Fargo	\$ 20,000	No
	Total	\$ 20,000	

STOCKS AND BONDS

Section 2		STOCKS AND BONDS			
Description	No. Shares	Registered in Name of	Price per share	Purchased on Margin/Pledged	Total Value
					\$
					\$
					\$
					\$
					\$

Section 2a INTERESTS IN CLOSELY HELD BUSINESS						
Description	Value of Business	Registered in Name of	Source and Date of Valuation		Total Value	
PCS	5,000,000	James Holman		\$ 1.00	\$ 5,000,000	
				\$ 1.00	\$	
					\$ 5,000,000	

Section 3 TAXES			
	Amount of Tax Refund Due	Amount of Tax Owed	
		\$	

Section 4 LIFE INSURANCE						
Insured	Primary Beneficiary	Face Amount	Actual Cash Value	Loans on Policy	Name of Company	Location of Office
James Holman	Holman Family Trust	\$ 10,000,000	\$	\$	West Coast Life	PDX, OR
James Holman	Holman Family Trust	\$ 50,000	\$ 12,500	\$	NW Mutual	PDX, OR
				\$		
				\$		
	Total	\$ 10,050,000	\$ 12,500	\$		

Section 5 ACCOUNTS AND NOTES RECEIVABLE						
Owners	Due From	Address	Collateral	Maturity Date	How Payable \$ per month	Balance Due
					\$	\$

Section 6 REAL ESTATE OWNED						
	Property A	Property B	Property C	Property D		
Type of Property	Primary Residence	Beach House				
Address	Mulino, OR	Gleneden Beach, OR				
Owner	James & Candice Holman	James & Candice Holman				
Date Purchased	8/1/2003	6/1/2004				
Original Cost	\$ 400,000	\$ 240,000				
Present Market Value	\$ 775,000	\$ 400,000				
Mortgage Holder	Countrywide	Citibank				
Annual Taxes	\$ 5,000	\$ 2,500				
Monthly Income	\$	\$				
Monthly Payments	\$ 1,980.00	\$ 1,100.00				
Mortgage Balance	\$ 450,000	\$ 220,000				

670k Total Refers to

Section 7 OTHER ASSETS AND PERSONAL PROPERTY							
Automobiles	Value	RV / Boats	Value	Personal Prop.	Value	Totals	
Year/Make		Year/Make					
2008 Chevy	\$ 45,000	2005 SeaSport	\$ 110,000	Furniture	\$ 35,000	Autos	\$ 110,000
2010 Range	\$ 65,000	2007 Sleds (4)	\$ 45,000	Jewelry	\$ 90,000	R/V's	\$ 158,000
		2005 ATV	\$ 3,000	Equipment	\$ 170,000	Per. Prop	\$ 339,000
				Others	\$ 44,000		
Subtotal Autos	\$ 110,000	Subtotal R/V's	\$ 158,000	Subtotal per prop	\$ 339,000	Total oth. assets	\$ 607,000

Section 8 NOTES AND LOANS PAYABLE (EXCLUDED REAL ESTATE)						
Payable To	Address	Collateral	Person (s) Liable	Maturity Date	How Payable \$ per month	Balance Due
GEFCU	Milwaukie, OR	Suburban	James & Candice Holman	3/3/13	\$ 840	\$ 39,000
GEFCU	Milwaukie, OR	Rover	James & Candice Holman	6/15/15	\$ 1,000	\$ 65,000
National City Bank	Cleveland, OH	Boat	James & Candice Holman	9/1/24	\$ 667	\$ 92,000
Totals						\$ 196,000

Section 9 ACCOUNTS AND BILLS PAYABLE (Including Bank Cards)					
Payable to	Account Number	Person (s) Liable	How Payable \$ per month	Balance Due	
Bankcharge Cards	Paid off monthly			\$ -	
Bankcharge Cards				\$ -	
Open & Revolving Accts				\$ -	
Open & Revolving Accts				\$ -	
Other				\$ -	
Total					\$ -

Section 10 OTHER LIABILITIES				
Payable To	Person (s) Liable	Collateral	How Payable per Month	Balance Due
				\$ -
				\$ -
				\$ -
				\$ -

APPLICANT INFORMATION				
Social Security Number	Employer	Salary	Occupation	No of Years
540-06-6613	PCS	\$ 225,000	CEO	10

Alimony, child support or separate maintenance payment income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation

Alimony - Do you have alimony payments? (yes/no) No

Have you established a trust? (yes/no) Yes

Have you made a will? (yes/no) Yes Have you guaranteed or endorsed the notes of any other person? (yes/no) No

Have any actions or suits been filed against you or are there any unsatisfied judgements or decrees entered against you, or have you ever been adjudged bankrupt or made any assignments for creditors? (yes/no) No If answered "Yes", please explain:

Explanation:

CO-APPLICANT INFORMATION				
Social Security Number	Employer	Salary	Occupation	No of Years
543-17-2131	Homemaker	\$	Homemaker	

Alimony, child support or separate maintenance payment income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation

Alimony - Do you have alimony payments? (yes/no) No

Have you established a trust? (yes/no) Yes

Have you made a will? (yes/no) Yes Have you guaranteed or endorsed the notes of any other person? (yes/no) No

Have any actions or suits been filed against you or are there any unsatisfied judgements or decrees entered against you, or have you ever been adjudged bankrupt or made any assignments for creditors? (yes/no) No If answered "Yes", please explain:

Explanation:

SIGNATURES			
<p>I authorize lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date. (s) I understand that Columbia Community Bank is relying on this statement of my financial condition in making loan (s) to me. Columbia Community Bank may disclose to any other interested party Lender's experience with this account. I agree to inform the Lender immediately of any matter which will cause any significant change in my financial condition. I understand that Lender will retain this financial statement whether or not credit is granted.</p>			
Applicant's Signature	Date	Co-Applicant's Signature	Date

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CERTIFICATE OF SERVICE

I hereby certify that I served the attached **DECLARATION OF DARIAN STANFORD**
IN SUPPORT OF PLAINTIFFS' RESPONSE BRIEF IN OPPOSITION TO
DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT on the following
person(s) on the date indicated below:

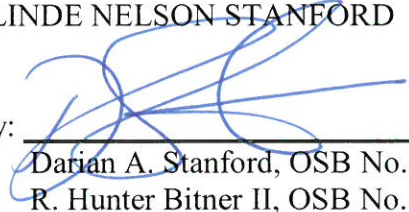
Paul B. Heatherman
Law Offices of Paul Heatherman PC
250 NW Franklin Ave, #402
Bend, OR 97701
Of Attorneys for Debtors-Defendants

By the following indicated method(s):

- ☐ By **emailing** full, true, and correct copies thereof to say attorney to the email address
noted above, which is the last known email address for said attorney, on the date set
forth below.
- ☒ By notice of electronic filing using the E-filing system (UTCR 21.010).
- ☐ By causing full, true and correct copies thereof to be **mailed** to the attorney(s) at the
attorney(s) last-known office address (as) listed above on the date set forth below.

DATED: July 17, 2015.

SLINDE NELSON STANFORD

By: 
Darian A. Stanford, OSB No. 994491
R. Hunter Bitner II, OSB No. 011146
*Of Attorneys for Dwight and Laura
Daniels*